

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re  WORLDWIDE DIRECT, INC., <u>et al.</u>  Debtors.	}	Chapter 11  Case Nos. 99-108 to -127 (MPW)  Jointly Administered
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**DECLARATION OF EUGENE I. DAVIS IN SUPPORT OF HENNIGAN,  
BENNETT & DORMAN'S FINAL FEE APPLICATION**

I, Eugene I. Davis, declare:

1. I am the former Chief Executive Officer for Worldwide Direct, Inc., a Delaware corporation, and its parent company SmarTalk TeleServices, Inc. ("SMTK") and the other of SMTK's direct and indirect subsidiaries that are debtors and debtors in possession in the above-captioned cases (collectively, "SmarTalk"). I make this declaration in support of the Final Fee Application of Hennigan, Bennett & Dorman ("HBD"), SmarTalk's bankruptcy counsel. I have personal knowledge of the following facts and, if called and sworn as a witness, I would and could testify competently thereto.

2. As Chief Executive Officer of SmarTalk, I worked closely with Jim Johnston and other attorneys and financial consultants at HBD on numerous aspects of the administration and liquidation of SmarTalk. I was responsible for overseeing the potential recovery of the estate's assets and requested that HBD analyze potential causes of action against various entities formerly affiliated with SmarTalk, including PriceWaterhouse Coopers, Donaldson Lufkin & Jenrette and CS First Boston. HBD's attorneys and financial consultants performed an excellent analysis of those potential causes of action and, in my opinion, HBD's services to SmarTalk were exemplary. I believe that HBD was qualified and prepared to commence litigation against those entities, and I was disappointed when the Committee demanded that SmarTalk delegate to it all rights to pursue such litigation.

3. One of my other responsibilities as Chief Executive Officer was to review professional fee applications in the SmarTalk case. I believe that HBD's professional rates and

expenses were within the range of fees and expenses typically charged by law firms of comparable quality and were reasonable in light of the services provided. I am also aware that HBD wrote off significant portions of its fees, and I believe its invoices were appropriate and conservative. I appreciated HBD's billing discretion and responsibility, as HBD voluntarily wrote off hundreds of thousands of dollars of fees and expenses.

4. Throughout HBD's employment as SmarTalk's counsel, HBD provided monthly invoice statement to SmarTalk for the services rendered by HBD, which were itemized by service category and included a summary of the time expended by each individual at HBD who worked on the case, a detailed description of the work performed and the time spent and the rate at which the individual was billed. The invoices were regularly sent to, among others, SmarTalk, counsel for the Official Committee of Unsecured Creditors and the U.S. Trustee.

5. I received a memorandum from Jim Johnston dated March 5, 2001, that attached the invoice for the time period January 1 to January 31, 2001. The memorandum included an explanation of a standard rate increase for HBD's attorneys, financial consultants, paralegals and clerks, which were included in the accompanying invoice. I understand that HBD generally raised its rates on an annual basis, and I believed that increase to be appropriate and consistent with market practice. Nevertheless, I believe that HBD rendered extremely important and valuable services in the Plan context. I believe that HBD's efforts facilitated confirmation of the Plan.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed this 15th day of March, 2002, at LIVINGSTON, New Jersey.

  
EUGENE I. DAVIS

**UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re

WORLDWIDE DIRECT, INC., et al.,

Debtors.

)  
) Docket No.

)  
) (Concerning Subpoenas in  
) Case No. 99-00108 (MFW) through  
) Case No. 99-00127 (MFW), United  
) States Bankruptcy Court for the District  
) of Delaware)

**AFFIDAVIT OF SERVICE OF DECLARATION OF EUGENE I. DAVIS  
IN SUPPORT OF REPLY OF HENNIGAN, BENNETT & DORMAN TO  
THE LIQUIDATING TRUST'S OBJECTION TO  
THE FINAL FEE APPLICATION**

I, Donna Moore, being duly sworn according to the law, deposes and says that she is employed by the law firm of Hennigan, Bennett & Dorman, attorneys for debtors and debtors in possession, in the within captioned matter, and that on the 18th day of March, 2002, she caused a copy of the **Declaration of Eugene I. Davis in Support of Reply of Hennigan, Bennett & Dorman to the Liquidating Trust's Objection to the Final Fee Application** to be served on the interested parties in this action via facsimile and via Overnight Mail (Federal Express) by placing true copies thereof, enclosed in sealed envelopes addressed as follows:

**SEE ATTACHED SERVICE LIST**

I declare that I am employed in an office of a member of the bar of this Court, at whose direction the within service was made. I declare under penalty of perjury under the law of the United States of America that the foregoing is true and correct.

EXECUTED on March 18, 2002, at Los Angeles, California.



Donna Moore, Declarant

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